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INFORMATIONAL NOTICE

DATE: October 31, 2005

TO: Participating Hospices

RE: Rate Changes Effective October 1, 2005

The Centers for Medicare and Medicaid Services (CMS) recently notified the department of the annual update of Medicaid hospice rates for federal fiscal year 2006. This notice serves to inform hospice providers of the revised rates that are effective for claims with dates of service from October 1, 2005 through September 30, 2006.

Payment for routine home care (revenue code 651) and continuous home care (revenue code 652) is based upon the geographic location where the service is furnished. Per the August 4, 2005 *Federal Register* (42 CFR Part 418, Medicare Program; Hospice Wage Index for Fiscal Year 2006; Final Rule), the Office of Management and Budget (OMB) has revised the definitions for the geographical statistical areas used in determining the hospice wage index values beginning October 1, 2005. The revised OMB geographic location definitions, known as Core-Based Statistical Areas (CBSAs), are identified in the attached table with the corresponding CBSA codes and wage indices. Pursuant to federal regulations, certain counties will receive a blended wage index for federal fiscal year 2006 only, and are identified with a special hospice wage index code.

Hospice providers must still use Value Code 61 with the appropriate CBSA or special hospice wage index code on their claims to identify the location where the routine home care or continuous home care services were provided.

The last page of this notice's attachment shows the revised wage component and unweighted amount to be used in the calculation of rates for routine home care and continuous home care for dates of service October 1, 2005 through September 30, 2006. Rates for general inpatient care (revenue code 656) and inpatient respite care (revenue code 655) are based upon the CBSA where the hospice provider is located. Rates for general inpatient and inpatient respite care will be updated and shown on the individual hospice provider's Provider Information Sheet. The Provider Information Sheets will be generated by the department and mailed to each hospice, once the updates have been completed.

As you can see, the name of the Department of Public Aid (DPA) has changed to Healthcare and Family Services (HFS). You will see the new name on forms, letters and the Internet. Until existing form supplies are exhausted, we will continue to use materials bearing the former DPA name and logo. Either version of documents should be considered official regardless of the name they bear.

Only our name has changed. HFS's programs, staff, office locations, mailing addresses and phone numbers remain the same as DPA's. We believe our new name more clearly reflects our mission of service to the State of Illinois including providing access to health care for over two million Illinoisans. We deeply appreciate your participation in our programs and we hope this change poses no inconvenience for you.

Providers wishing to receive e-mail notification, when new provider information has been posted by the department, may register at the following HFS Web site:

<http://www.hfs.illinois.gov/provrel>

If you have any questions concerning this notice, please contact your billing consultant in the Bureau of Comprehensive Health Services toll-free at 1-877-782-5565.

Anne Marie Murphy, Ph.D.
Administrator
Division of Medical Programs

FEDERAL FY 2006 REVISED HOSPICE RATES (10/01/05 – 09/30/06)

ILLINOIS COUNTY	CBSA OR SPECIAL HOSPICE WAGE INDEX CODE	WAGE INDEX
Adams	50031	0.8845
Alexander	50031	0.8845
Bond	50035	0.9236
Boone	40420	1.0210
Brown	50031	0.8845
Bureau	50031	0.8845
Calhoun	50035	0.9236
Carroll	50031	0.8845
Cass	50031	0.8845
Champaign	50190	1.0105
Christian	50031	0.8845
Clark	50031	0.8845
Clay	50031	0.8845
Clinton	50318	0.9629
Coles	50031	0.8845
Cook	16974	1.1518
Crawford	50031	0.8845
Cumberland	50031	0.8845
DeKalb	16974	1.1518
DeWitt	50031	0.8845
Douglas	50031	0.8845
DuPage	16974	1.1518
Edgar	50031	0.8845
Edwards	50031	0.8845
Effingham	50031	0.8845
Fayette	50031	0.8845
Ford	50032	0.9476
Franklin	50031	0.8845
Fulton	50031	0.8845
Gallatin	50031	0.8845
Greene	50031	0.8845
Grundy	16974	1.1518
Hamilton	50031	0.8845
Hancock	50031	0.8845
Hardin	50031	0.8845
Henderson	50031	0.8845
Henry	50208	0.9305
Iroquois	50031	0.8845
Jackson	50031	0.8845
Jasper	50031	0.8845
Jefferson	50031	0.8845
Jersey	50318	0.9629
Jo Daviess	50031	0.8845
Johnson	50031	0.8845
Kane	16974	1.1518
Kankakee	28100	1.1246
Kendall	16974	1.1518
Knox	50031	0.8845
LaSalle	50031	0.8845
Lake	50196	1.1239
Lawrence	50031	0.8845
Lee	50031	0.8845

Attachment to 2006 Hospice Rate Notice

ILLINOIS COUNTY	CBSA OR SPECIAL HOSPICE WAGE INDEX CODE	WAGE INDEX
Livingston	50031	0.8845
Logan	50031	0.8845
Macon	19500	0.8615
Macoupin	50035	0.9236
Madison	50318	0.9629
Marion	50031	0.8845
Marshall	50034	0.9136
Mason	50031	0.8845
Massac	50031	0.8845
McDonough	50031	0.8845
McHenry	16974	1.1518
McLean	14060	0.9664
Menard	44100	0.9268
Mercer	50033	0.9076
Monroe	50318	0.9629
Montgomery	50031	0.8845
Morgan	50031	0.8845
Moultrie	50031	0.8845
Ogle	50314	0.9527
Peoria	50298	0.9425
Perry	50031	0.8845
Piatt	50032	0.9476
Pike	50031	0.8845
Pope	50031	0.8845
Pulaski	50031	0.8845
Putnam	50031	0.8845
Randolph	50031	0.8845
Richland	50031	0.8845
Rock Island	50208	0.9305
Saline	50031	0.8845
Sangamon	44100	0.9268
Schuyler	50031	0.8845
Scott	50031	0.8845
Shelby	50031	0.8845
St. Clair	50318	0.9629
Stark	50034	0.9136
Stephenson	50031	0.8845
Tazewell	50298	0.9425
Union	50031	0.8845
Vermilion	19180	0.8874
Wabash	50031	0.8845
Warren	50031	0.8845
Washington	50031	0.8845
Wayne	50031	0.8845
White	50031	0.8845
Whiteside	50031	0.8845
Will	16974	1.1518
Williamson	50031	0.8845
Winnebago	40420	1.0210
Woodford	50298	0.9425

**CALCULATION OF REVISED FFY 2006 HOSPICE HOME CARE RATES
RATES EFFECTIVE 10/01/05 – 09/30/06**

Revenue Code	Wage Component	Unweighted Amount
651	\$87.02	\$39.63
652	\$507.46	\$231.09

Below are the formulas and examples for calculating routine home care and continuous home care rates:

FORMULAS

ROUTINE HOME CARE (651)

CBSA Wage Index
 X Wage Component
 = Base Rate
 + Unweighted Amount
 = Daily Rate

CONTINUOUS HOME CARE (652)

CBSA Wage Index
 x Wage Component
 = Base Rate
 + Unweighted Amount
 = Daily Rate
 Divided by 24
 = Hourly Rate

EXAMPLES

ROUTINE HOME CARE (651)

CBSA Code 14060
 Wage Index 0.9664
 Wage Component x \$87.02
 Base Rate = \$84.10
 Unweighted Amount + \$39.63
 Daily Rate = \$123.73

CONTINUOUS HOME CARE (652)

CBSA Code 14060
 Wage Index 0.9664
 Wage Component x \$507.46
 Base Rate = \$490.41
 Unweighted Amount + \$231.09
 Daily Rate = \$721.50
 Divided by 24
 Hourly Rate = \$30.06